

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
VICTORIA DIVISION**

In re:  BUCCANEER RESOURCES, LLC, <i>et al.</i> ,  Debtors.	§ § § § § § §	Chapter 11  Case No. 14-60041 (DRJ)  Jointly Administered
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**AGREED STIPULATION AND ORDER REGARDING MOTION TO ENFORCE SALE  
ORDER AGAINST ARGONAUT INSURANCE COMPANY**  
(Relates to Doc. No. 980)

AIX Energy, LLC (“AIX”) and Argonaut Insurance Company (“Argonaut”), stipulate to the following:

A. On May 31, 2014, Buccaneer Alaska Operations, LLC (“Buccaneer Alaska”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

B. Prior to filing bankruptcy, Buccaneer Alaska obtained two surety bonds with Argonaut: (i) State of Alaska Land Use Permits, LAS 28719 and LAS 28742, Surety Bond No. SUR0015408 in the amount of \$50,000 (the “Land Use Bond”), and (ii) State of Alaska Statewide Oil & Gas Bond, Surety Bond No. SUR15393 in the amount of \$500,000 (the “Statewide Bond,” and collectively with the Land Use Bond, the “Bonds”).

C. Buccaneer Alaska secured the Bonds with a \$125,000 money market account, No. SU 09341 74 (“Account”), at UBS Financial Services, Inc. (“UBS”) that is in the control of Argonaut. At present, the balance in the UBS account is \$124,450.73.

D. On October 31, 2014, the Court entered its Order (A) Authorizing and Approving the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (B)

Approving the Asset Purchase Agreement, (C) Approving the Assumption and Assignment of the Assumed Contracts and (D) Granting Related Relief (Doc. No. 489) (the “Sale Order”).

E. The Sale Order approved that certain Purchase and Sale Agreement (the “PSA”) between the Debtors (including Buccaneer Alaska), as sellers, and AIX, as purchaser.

F. AIX acquired the UBS Account securing the Bonds pursuant to the PSA.

G. Prior to closing, AIX obtained replacements for the Bonds.

H. On December 4, 2014, the State of Alaska sent a letter to Buccaneer Alaska and Argonaut releasing the Land Use Bond.

I. On August 11, 2015, Argonaut invoiced Buccaneer Alaska for a policy premium related to the Statewide Bond in the amount of \$10,000 (the “Invoice”). The policy period covered August 24, 2015 to August 24, 2016.

J. On June 28, 2016, the State of Alaska sent a letter to AIX and Argonaut releasing the Statewide Bond.

K. On August 19, 2016, AIX filed its Motion to Enforce Sale Order Against Argonaut Insurance Company (the “Motion”).

L. Argonaut asserts it has the right to offset the \$10,000 invoice to Buccaneer against the funds in the Account.

M. The parties have reached a settlement of the Motion as set forth in this Order.

Based on the foregoing stipulations and the agreement of the parties, it is hereby

**ORDERED THAT:**

1. Within three (3) business days from the entry of this Order, Argonaut and AIX shall submit the necessary documentation to UBS releasing Argonaut’s control over the Account, directing remittance of \$5,000.00 to Argonaut in satisfaction of the Invoice, and directing remittance of the balance of the monies in the Account to AIX Energy, LLC. The remittance to AIX shall be made payable to “AIX Energy, LLC” and delivered to AIX’s counsel, Joshua Wolfshohl, Porter Hedges LLP, 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, or in accordance with such other written instructions provided by AIX’s counsel.

2. Other than as set forth in this Order, AIX releases and discharges Argonaut and its affiliates from any and all claims, actions, liabilities, and demands arising from or related to the Bonds.

3. Other than as set forth in this Order, Argonaut releases AIX for any liability on the Invoice or any other amounts related to the Bonds.

4. Each party shall bear its own costs.

5. This Order shall be effective and enforceable immediately, notwithstanding any stay provided by the Federal Rules of Bankruptcy Procedure or other applicable law or procedural rules.

6. The Court retains jurisdiction to enforce the terms of this Order.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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**THE HONORABLE DAVID R. JONES,**  
**CHIEF UNITED STATES BANKRUPTCY JUDGE**

**STIPULATED AND AGREED TO BY:**

**Porter Hedges LLP**

/s/ Aaron J. Power

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